

IRISH LAND PURCHASE FUND.

ACCOUNTS, 1920-1921.

ACCOUNTS of RECEIPTS and PAYMENTS by the COMMISSIONERS for the REDUCTION of the NATIONAL DEBT in respect of the CAPITAL and INCOME of the IRISH LAND PURCHASE FUND, in the Year ended 31 March 1921, together with the REPORT of the COMPTROLLER and AUDITOR GENERAL thereon.

(Presented pursuant to Act 3 Edw. 7. c. 37. s. 33.)

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1922.

IRISH LAND PURCHASE FUND

EXPLANATORY NOTE.

The Irish Land Purchase Fund is a special fund placed under the control of the National Debt Commissioners for the purposes of the Irish Land Act, 1903. This Act provided for advances for land purchase being made in cash, raised by the issue of Guaranteed $2\frac{3}{4}$ per Cent. Stock; but the Irish Land Act, 1909, extended the means of raising cash by providing for the issue of Guaranteed 3 per Cent. Stock and, in addition, enacted that advances may be made, in whole or in part, in stock. As the Irish Land Purchase Fund possesses somewhat peculiar features, a short explanation of these features may be desirable.

The chief means of raising money for the purposes of the Irish Land Act, 1903, is by the creation of Guaranteed Stock bearing interest at $2\frac{3}{4}$ or 3 per cent. per annum. This stock is issued for two distinct objects, viz. :—

- | | |
|---------------------------------------|-------------------------------|
| (a) For advances, and to provide cash | { 1903 Act, Section 28. |
| for advances - - - - - | { 1909 Act, Sections 2 and 3. |
| (b) To provide cash for the payment | { 1903 Act, Section 47. |
| of a bonus to vendors - - - | { 1909 Act, Sections 2 and 6. |

Cash can also be obtained—

- | | |
|-----------------------------------|-------------------------|
| (c) By temporary borrowing - - - | { 1903 Act, Section 30. |
| | { 1909 Act, Section 5. |
| (d) By using the sinking fund for | { 1903 Act, Section 36. |
| further advances - - - - - | |

(Provision is made in the 1903 Act (Section 36) for the two cases of stock being issued at a discount and at a premium. The issues already made have been at a considerable discount, and a further reference to the case of an issue at a premium does not appear to be necessary at present.)

(a) The amount of Guaranteed $2\frac{3}{4}$ per Cent. Stock and Guaranteed 3 per Cent. Stock issued for the purpose of raising money for advances, and of Guaranteed $2\frac{3}{4}$ per Cent. Stock issued for advances, is divided into two parts. In the first place, stock of equal nominal amount to the net cash realized by an issue of stock, or, in the case of an advance in Guaranteed $2\frac{3}{4}$ per Cent. Stock, the cash value at the price of issue, is assigned to the advances account, as the liability for which the cash advanced for land purchase is to provide (1903 Act, Section 36); and the remaining part of the issue together with any deficiency of interest arising by reason of money being raised by means of 3 per Cent. Stock, is set up as a liability for which an annuity chargeable on the Development Grant portion of the Guarantee Fund, and, so far as that is insufficient, on moneys provided by Parliament, is the corresponding asset (1909 Act, Section 7).

(b) The stock issued for the purpose of realizing money for payment of the bonus is a liability for which Parliament votes both the interest and sinking fund (1903 Act, Section 47).

While, therefore, the issue of the stock is for two objects, the provision for the payment of the dividends and sinking fund in respect of the same comes from three different sources.

It will be seen that the Irish Land Purchase Fund practically comprises three distinct accounts :—

Account I.—Called “Advances Account” in which the capital raised has a corresponding asset in the annuities payable by borrowers, with the Guarantee Fund as security for their due payment.

Account II.—Called “Excess Stock Account,” in which the liability comprises the additional amount of stock issued to raise cash for advances (or the additional amount of stock issued for the purpose of advances by means of stock) in consequence of issues being made at a discount, the corresponding asset being an annuity chargeable on the Ireland Development Grant portion of the Guarantee Fund, and, so far as that is insufficient, on moneys provided by Parliament.

Account III.—Called “Land Purchase Aid Fund,” in which the stock issued to provide the bonus is met by an annuity chargeable on Votes of Parliament.

The annuities payable in each case provide for interest on the capital together with an addition of $\frac{1}{2}$ per cent. per annum by way of sinking fund for accumulation.

In addition, therefore, to the Irish Land Purchase Fund consisting of three distinct accounts, each of these accounts contains within itself an accumulation account to provide for the ultimate extinction of the capital liability.

It is further necessary to distinguish between advances made on the basis of a $3\frac{1}{2}$ per cent. annuity and a $3\frac{1}{2}$ per cent. annuity (1909 Act, Section 1 (3)).

Each of the three accounts above referred to is given in a separate column, the total of such individual accounts forming the Irish Land Purchase Fund.

The “Advances Account” now includes the transactions under the Labourers (Ireland) Act, 1906, 6 Edw. 7. cap. 37. Under section 15 of the same Act, the unexpended balance (98,478*l.*) on 31 March, 1906, of the amount received from the Ireland Development Grant is retained as a working balance, and is included in the balance shown on the Income Account (Advances).

In addition to the accounts of receipts and payments, the statements of securities on which the capital has been raised and the balance sheet, supplementary accounts are given showing the detail of each accumulation account, and the amounts drawn from and repaid to the Guarantee Fund.

National Debt Office.

T. L. Heath,
Comptroller General.

IRISH LAND

ACCOUNTS of RECEIPTS and PAYMENTS by the National
 respect of the CAPITAL and INCOME of the IRISH LAND PUR-

CAPITAL

RECEIPTS.

	Advances Account.	Excess Stock Account.	Land Purchase Aid Fund.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Balances on 31 March 1920	—	55 17 —	—	55 17 —
Money raised :—				
By creation of Guaranteed 3 per Cent. Stock.	1,454,470 16 8	—	300,925 — —	1,755,395 16 8
By loans from Sinking Fund.	656,300 — —	—	—	656,300 — —
By Temporary borrowings	2,926,000 — —	—	—	2,926,000 — —
Cash value of Advances in 2½ per Cent. Stock.	32,259 — —	—	—	32,259 — —
Cash value of Advances in 3 per Cent. Stock.	210,712 — —	—	—	210,712 — —
Sinking Fund Receipts :—				
In respect of 3½ per Cent. Annuities.	573,860 10 9	65,997 2 11	31,797 12 7	671,655 6 3
In respect of 3½ per Cent. Annuities.	44,208 7 2	58,907 8 9	42,522 9 10	145,728 5 9
Cash proceeds of Securities sold and paid off, viz. : Temporary Investments :				
For 100,000£. Treasury Bills sold.	98,379 3 4	—	—	98,379 3 4
For 100,000£. Treasury Bills paid off.	—	—	98,361 9 2	98,361 9 2
Balance due on 31 March 1921.	—	—	223,405 9 1	223,405 9 1
	£ 5,996,279 17 11	124,960 8 8	697,012 — 8	6,818,252 7 3

PURCHASE FUND.

Debt Commissioners in the year ended 31 March 1921, in
CHASE FUND, per 3 EDW. VII. c. 37, and 9 EDW. VII. c. 42.

ACCOUNT.

PAYMENTS.

—	Advances Account.	Excess Stock Account.	Land Purchase Aid Fund.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Balance overdrawn on 31 March 1920.	14,467 3 2	—	105,121 7 7	119,588 10 9
Advanced to Irish Land Commission :—				
For advances on 3½ per Cent. Annuity.	2,639,389 2 2	—	—	2,639,389 2 2
For advances on 3½ per Cent. Annuity.	525,200 11 7	—	419,229 3 11	944,429 15 6
Temporary borrowings (Capital Account) repaid.	1,813,000 — —	—	—	1,813,000 — —
Cash invested, viz. :—				
For Sinking Fund in re- spect of 3½ per Cent. Annuities :—				
In loans to Capital Account for fur- ther advances.	451,900 — —	42,600 — —	31,800 — —	526,300 — —
In purchase of 305,000l. Guarant- eed 2½ per Cent. Stock.	122,031 — —	23,406 10 —	—	145,437 10 —
For Sinking Fund in re- spect of 3½ per Cent. Annuities :—				
In loans to Capital Account for fur- ther advances.	28,600 — —	58,900 — —	42,500 — —	130,000 — —
In purchase of 30,000l. Guaranteed 3 per Cent. Stock.	15,637 10 —	—	—	15,637 10 —
For Temporary Invest- ments :—				
In purchase of 200,000l. Treasury Bills.	98,379 3 4	—	98,361 9 2	196,740 12 6
Balances on 31 March 1921	287,675 7 8	53 18 8	—	287,729 6 4
£	5,996,279 17 11	124,960 8 8	697,012 — 8	6,818,252 7 3

INCOME

	Advances Account.	Excess Stock Account.	Land Purchase Aid Fund.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Balances on 31 March 1920.	122,405 8 5	—	11 —	122,405 19 5
From Irish Land Commission.	2,214,622 3 —	361,735 15 8	350,272 6 9	2,926,630 5 5
From Guarantee Fund	244,986 17 10	108,142 1 8	—	353,128 19 6
Interest on Investments.	1,422 14 —	359 3 10	2,649 — 8	4,430 18 6
Fractions of pence saved in the payment of dividends.	9 3 6	1 11 2	1 3 3	11 17 11
Arrears of annuity instalments and interest recovered.	230,383 5 5	—	—	230,383 5 5
£	2,813,829 12 2	470,238 12 4	352,923 1 8	3,636,991 6 2

GUARANTEED 2½ PER CENT. STOCK ACCOUNT,

Amount of Stock written off and cancelled in the year.	255,968 14 6	48,861 19 5	—	304,830 13 11
Balance of stock remaining on 31 March 1921.	46,143,447 5 5	6,177,892 9 1	4,451,444 8 9	56,772,784 3 3
£	46,399,415 19 11	6,226,754 8 6	4,451,444 8 9	57,077,614 17 2

GUARANTEED 3 PER CENT. STOCK ACCOUNT,

Amount of Stock written off and cancelled in the year.	27,516 — 8	11,375 16 3	—	38,891 16 11
Balance of Stock remaining on 31 March 1921.	36,763,990 14 7	10,099,391 12 6	7,448,461 13 6	54,311,844 — 7
£	36,791,506 15 3	10,110,767 8 9	7,448,461 13 6	54,350,735 17 6

"LOANS FROM SINKING FUND" ACCOUNT, for

Balance of Loans from Sinking Fund to Capital (Advances) Account remaining on 31 March 1921.	5,513,100 — —	—	—	5,513,100 — —
£	5,513,100 — —	—	—	5,513,100 — —

ACCOUNT.

	Advances Account.	Excess Stock Account.	Land Purchase Aid Fund.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Dividends and Interest on Guaranteed Stocks.	2,348,194 14 1	451,526 15 10	336,601 18 2	3,136,322 8 1
Interest on Sinking Fund Securities, transferred to Capital Account.	105,939 7 -	18,711 16 6	16,320 11 9	140,971 15 3
Interest on Temporary borrowings (Capital Account).	15,226 11 11	—	—	15,226 11 11
Recovered arrears paid to Guarantee Fund.	220,612 17 8	—	—	220,612 17 8
Balances on 31 March 1921.	123,856 1 6	—	11 9	123,856 13 3
£	2,813,829 12 2	470,238 12 4	352,923 1 8	3,636,991 6 2

for the Year ended 31 March 1921.

Balance of Stock on 31 March 1920.	46,367,156 19 11	6,223,949 6 1	4,451,444 8 9	57,042,550 14 9
Amount of Stock issued in respect of Advances in the year.	32,259 - -	2,805 2 5	—	35,064 2 5
£	46,399,415 19 11	6,226,754 8 6	4,451,444 8 9	57,077,614 17 2

for the Year ended 31 March 1921.

Balance of Stock on 31 March 1920.	35,126,323 18 7	8,065,238 5 5	6,848,461 13 6	50,040,023 17 6
Amount of Stock created in the year.	1,454,470 16 8	1,445,529 3 4	600,000 - -	3,500,000 - -
Amount of Stock issued for Advances in the year.	210,712 - -	—	—	210,712 - -
£	36,791,506 15 3	10,110,767 8 9	7,448,461 13 6	54,350,735 17 6

the year ended 31 March 1921.

Balance of Loans on 31 March 1920.	4,856,800 - -	—	—	4,856,800 - -
Amount of Loans from Sinking Fund to Capital (Advances) Account in the year.	656,300 - -	—	—	656,300 - -
£	5,513,100 - -	—	—	5,513,100 - -

"TEMPORARY BORROWINGS" ACCOUNT, for

	Advances Account.	Excess Stock Account.	Land Purchase Aid Fund.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Temporary borrowings repaid in the year.	1,813,000 - -	—	—	1,813,000 - -
Balance of Temporary borrowings outstanding on 31 March 1921.	1,539,000 - -	—	—	1,539,000 - -
£	3,352,000 - -	—	—	3,352,000 - -

IRISH LAND PURCHASE FUND,

LIABILITIES.

	Advances Account.	Excess Stock Account.	Land Purchase Aid Fund.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
CAPITAL ACCOUNT—				
Value, at par, of amount of Stock remaining:—				
Guaranteed 2½ per Cent. Stock.	46,143,447 5 5	6,177,892 9 1	4,451,444 8 9	56,772,784 3 3
Guaranteed 3 per Cent. Stock.	86,763,900 14 7	10,099,391 12 6	7,448,461 13 6	54,311,844 - 7
Value, at par, of amount of "Loans from Sinking Fund" remaining.	5,513,100 - -	—	—	5,513,100 - -
Temporary borrowings outstanding.	1,539,000 - -	—	—	1,539,000 - -
SINKING FUND ACCOUNT—				
Balances remaining on 31 March 1921:—				
In respect of 3½ per Cent. Annuities.	27 1 4	17 11 2	49 3 1	93 15 7
In respect of 3½ per Cent. Annuities.	72 9 2	36 7 6	54 - 1	162 16 9
INCOME ACCOUNT—				
Balances remaining on 31 March 1921.	123,856 1 6	—	11 9	123,856 13 3
£	90,083,493 12 -	16,277,338 - 3	11,900,009 17 2	118,260,841 9 5

the Year ended 31 March 1921.

	Advances Account.	Excess Stock Account.	Land Purchase Aid Fund.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Balance of Temporary borrowings outstanding on 31 March 1920.	426,000 - -	- - -	- - -	426,000 - -
Amount of Temporary borrowings in the year.	2,926,000 - -	£ - - -	- - -	2,926,000 - -
£	3,352,000 - -	- - -	- - -	3,352,000 - -

BALANCE SHEET, 31 MARCH 1921.

A S S E T S.

	Advances Account.	Excess Stock Account.	Land Purchase Aid Fund.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Accumulated amount of Sinking Fund:—				
In respect of 3½ per Cent. Annuities.	4,031,593 4 4	484,180 - 3	367,949 3 1	4,883,722 7 8
In respect of 3½ per Cent. Annuities.	175,056 12 3	246,645 15 -	254,937 2 10	676,639 10 1
Outstanding amount to be accumulated with Sinking Fund Payments:—				
In respect of 3½ per Cent. Annuities.	75,194,334 1 6	5,693,712 8 10	4,083,495 5 8	84,971,541 16 -
In respect of 3½ per Cent. Annuities.	10,270,978 4 9	9,832,745 17 6	7,417,033 2 11	27,540,757 5 2
Cash at Banks of England and Ireland.	411,531 9 2	53 18 8	223,404 17 4 (Overdrawn)	188,180 10 6
£	90,083,492 12 -	16,277,338 - 3	11,900,009 17 2	118,260,841 9 5

National Debt Office,
31 March 1921. }T. L. Heath,
Comptroller General.

SUPPLEMENTARY ACCOUNTS.

SINKING FUND ACCUMULATION ACCOUNT at 31 March 1921, in respect of 3½ PER CENT. ANNUITIES.

	Advances Account.	Excess Stock Account.	Land Purchase Aid Fund.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
4,428l. 12s. 1d. Guaranteed 2½ per Cent. Stock at par.	4,366 3 —	62 9 1	—	4,428 12 1
Loans to Capital (Advances) Account.	4,027,200 — —	484,100 — —	367,900 — —	4,879,200 — —
Cash uninvested — —	27 1 4	17 11 2	49 3 1	93 15 7
Nominal value of Securities held — — }	4,031,593 4 4	484,180 — 3	367,949 3 1	4,883,722 7 8

SINKING FUND ACCUMULATION ACCOUNT at 31 March 1921, in respect of 3½ PER CENT. ANNUITIES.

42,576l. 13s. 4d. Guaranteed 3 per Cent. Stock at par.	5,934 3 1	2,959 7 6	33,683 2 9	42,576 13 4
Loans to Capital (Advances) Account.	160,050 — —	243,650 — —	221,200 — —	633,900 — —
Cash uninvested — —	72 9 2	36 7 6	54 — 1	162 16 9
Nominal value of Securities held — — }	175,056 12 3	246,645 15 —	254,937 2 10	676,639 10 1

GUARANTEE FUND ACCOUNT for the Year ended 31 March 1921.

RECEIVED from Guarantee Fund.	PAID to Guarantee Fund.
£ s. d.	£ s. d.
Balance at 31 March 1920 2,214,510 3 11	Repaid on account of arrears 220,612 17 8
For arrears in respect of Advances—	
Capital 37,794l. 7s. 1d. }	
Income 211,673l. 12s. 10d. }	
For deficiency of income — 994 19 7	
For Excess Stock Deficiency—	
Capital 19,539l. 12s. 11d. }	
Income 140,460l. 7s. 1d. }	
£2,624,973 3 5	Balance at 31 March 1921 2,404,360 5 9
	£2,624,973 3 5

National Debt Office,
31 March 1921. }

T. L. Heath,
Comptroller General.

I have examined the above Account. I have obtained all the information and explanations that I have required, and I certify, as the result of my audit, that in my opinion the above Account is correct.

Malcolm G. Ramsay,
Comptroller and Auditor General.

IRISH LAND PURCHASE FUND.

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL.

Stock created, &c.

1. The total amount of stock, $2\frac{3}{4}$ per cent., created to 31 March 1921, including 10,057,975*l.* 10*s.* 10*d.* stock in respect of advances to the Irish Land Commissioners for the purposes of section 3 (2) of the Act of 1909, was 58,259,419*l.* 19*s.* 7*d.*, of which 47,394,061*l.* 16*s.* 0*d.* was assigned to the Advances account, 6,413,913*l.* 14*s.* 10*d.* to the Excess Stock account, and 4,451,444*l.* 8*s.* 9*d.* to the Land Purchase Aid Fund.

The amount of stock, $2\frac{3}{4}$ per cent., purchased out of sinking fund balances and cancelled to 31 March 1921, was, on Advances account 1,250,614*l.* 10*s.* 7*d.*, on Excess Stock account 236,021*l.* 5*s.* 9*d.*, and the balance of stock, $2\frac{3}{4}$ per cent., remaining on 31 March 1921 on all accounts was 56,772,784*l.* 3*s.* 3*d.*

The total amount of stock, 3 per cent., created to 31 March 1921, including 7,976,435*l.* 16*s.* 6*d.* issued for advances for the purposes of section 3 (3) of the Act of 1909, was 54,476,435*l.* 16*s.* 6*d.*, of which 36,899,309*l.* 1*s.* 4*d.* was assigned to the Advances account, 10,127,126*l.* 15*s.* 2*d.* to the Excess Stock account, and 7,450,000*l.* to the Land Purchase Aid Fund.

The amount of stock, 3 per cent., purchased out of the sinking fund, and cancelled to 31 March 1921, was 135,318*l.* 6*s.* 9*d.* on Advances account, 27,735*l.* 2*s.* 8*d.* on Excess Stock account, and 1,538*l.* 6*s.* 6*d.* on Land Purchase Aid Fund account, and the balance of stock, 3 per cent., remaining on 31 March 1921 was 54,311,844*l.* 0*s.* 7*d.*

Sinking Funds.

2. Out of the total receipts for the Sinking Funds, viz. :—

	£	s.	d.
On $3\frac{1}{2}$ per cent. annuity—			
To 31 March 1920 - - - -	5,110,884	15	2
In the year ended 31 March 1921 -	671,655	6	3
	<hr/>		
	£5,782,540	1	5
On $3\frac{1}{2}$ per cent. annuity—			
To 31 March 1920 - - - -	634,341	17	3
In the year ended 31 March 1921 -	145,728	5	9
	<hr/>		
	£780,070	3	-

a sum of 5,513,100*l.* was on loan to the Capital account for further advances, 1,049,253*l.* 12*s.* 1*d.* has been applied to the purchase of Guaranteed $2\frac{3}{4}$ and 3 per cent. Stocks, and the balance of cash, 256*l.* 12*s.* 4*d.*, remained uninvested.

Contributions from Parliamentary Votes.

3. Included in the amount received by the Fund during the year and accounted for in these accounts are the following sums voted by Parliament in pursuance of the Irish Land Acts, 1903 and 1909 :— 392,961*l.* 15*s.* 6*d.*, for the Land Purchase Aid Fund and 435,394*l.* 13*s.* 11*d.* for the Excess Stock Account, which are provided under the Vote for the Irish Land Commission (Class III., Vote 17), and 160,000*l.* for the Guarantee Fund which is provided under the Vote for the Ireland Development Grant (Class VI., Vote 6).

These sums, amounting in the aggregate to 988,356*l.* 9*s.* 5*d.*, are not repayable.

Malcolm G. Ramsay,
Comptroller and Auditor General.

Exchequer and Audit Department,
17 March 1922.